

Message Text

UNCLASSIFIED

PAGE 01 CALGAR 00041 011539Z

72

ACTION EUR-25

INFO OCT-01 ISO-00 INT-08 FEA-02 SPC-03 SAM-01 AID-20

EB-11 NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08

OMB-01 CEA-02 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00

XMB-07 OPIC-12 LAB-06 SIL-01 SCI-06 NEA-11 DODE-00

PM-07 H-03 L-03 PA-04 PRS-01 USIA-15 DRC-01 /204 W

----- 036396

R 011406Z FEB 74

FM AMCONSUL CALGARY

TO SECSTATE WASHDC 923

INFO AMEMBASSY OTTAWA

UNCLAS CALGARY 041 JAN 31

E.O. 11652: N/A

TAGS: ENRG, CA

SUBJ: HIGHER ROYALTY RATES FOR ALBERTA NATURAL GAS

THE GOVERNMENT OF ALBERTA TODAY ANNOUNCED NEW NATURAL GAS ROYALTIES THAT ARE EXPECTED TO ADD A MINIMUM OF DOLLARS 200 MILLION A YEAR TO THE PROVINCIAL TREASURY. THE NEW SCHEDULE REPLACES THE CURRENT 16 2/3 PERCENT ROYALTY RATE WITH A NEW SLIDING SCALE THAT COULD SEE THE ALBERTA GOVERNMENT TAKING AS MUCH AS 65 PERCENT OF THE PRICE OF THE HIGH-PRICE EXPORT GAS. HOWEVER, ROYALTY ON LOWER PRICED GAS DESTINED FOR DOMESTIC USE WILL BE ABOUT 22 PERCENT. TO ENCOURAGE FURTHER EXPLORATION, THE GOVERNMENT OFFERS LOWER ROYALTIES FOR NEWLY DISCOVERED GAS AND ALSO WILL PROMOTE AN EXPANDED DRILLING INCENTIVE PROGRAM. IN ANNOUNCING THE NEW ROYALTIES, PREMIER LOUGHEED STATED THAT "THE AVERAGE NEW ROYALTY RATES AT ANTICIPATED PRICE LEVELS OVER THE NEXT TWO YEARS WILL BE FOUR TIMES PREVIOUS ROYALTY RATES." DETAILS OF THE NEW ROYALTY RATES ON NATURAL GAS WILL BE AIR-POUCHED AS SOON AS THEY BECOME AVAILABLE. LOUGHEED ALSO SAID THAT NEW OIL ROYALTIES - WHICH LIKE NATURAL GAS ROYALTIES WILL BE RETROACTIVE TO THE COMMENCEMENT OF THE YEAR - WILL NOT RPT

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 CALGAR 00041 011539Z

NOT BE DETERMINED UNTIL LATE MARCH.

HALL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATURAL GAS, ROYALTIES, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 01 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CALGAR00041
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: CALGARY
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740263/aaaacgwv.tel
Line Count: 62
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 08 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 MAR 2002 by elbezefj>; APPROVED <02 JUL 2002 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: HIGHER ROYALTY RATES FOR ALBERTA NATURAL GAS THE GOVERNMENT OF ALBERTA TODAY ANNOUNCED NEW NATURAL GAS
TAGS: ENRG, CA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005